

FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554
JAN 20 2011

OFFICE OF
MANAGING DIRECTOR

Sherman Wildman, President
Sherman Broadcasting Corp.
Post Office Box 11487
San Juan, Puerto Rico 00910-2587

Re: Sherman Broadcasting Corp.
FY 2010 Regulatory Fee
Fee Control No. RROG-10-00013071

Dear Mr. Wildman:

This letter responds to your request filed August 31, 2010 (*Request*), submitted on behalf of Sherman Broadcasting Corp. (SBC), licensee of Station WOSO-AM, for waiver of the Fiscal Year (FY) 2010 regulatory fee on the grounds of financial hardship. Our records reflect that SBC has not paid the [REDACTED] regulatory fee. For the reasons stated herein, we dismiss your request.

You state that WOSO is "[t]he only English-language general interest format in Spanish-speaking territory."¹ You say that WOSO is an important source of hurricane, flooding, business, and job information.² You state that WOSO is a "[p]rimary radio source of international and U.S. news."³ You provide a list of WOSO's total revenue and expense amounts for each year from 2006 through 2010, without including an itemization of the underlying individual revenue and expense amounts (*Financial Statement*).⁴

The Commission may waive, reduce, or defer regulatory fees only upon a showing of good cause and a finding that the public interest will be served thereby.⁵ The Commission will waive, reduce or defer its regulatory fees in those instances where a

¹ *Request* at 1.

² *Id.*

³ *Id.*

⁴ *Id.*

⁵ See 47 U.S.C. §159(d); 47 C.F.R. §1.1166; see also *Implementation of Section 9 of the Communications Act*, 9 FCC Rcd 5333, 5344 (1994), *on recon.*, *Memorandum Opinion and Order*, 10 FCC Rcd 12759, para. 12 (1995) (*Memorandum Opinion and Order*), (regulatory fees may be waived, deferred, or reduced on a case-by-case basis in extraordinary and compelling circumstances upon a clear showing that a waiver would override the public interest in reimbursing the Commission for its regulatory costs).

petitioner presents a compelling case of financial hardship.⁶ Regulatees can establish financial hardship by submitting:

information such as a balance sheet and profit and loss statement (audited, if available), a cash flow projection . . . (with an explanation of how calculated), a list of their officers and their individual compensation, together with a list of their highest paid employees, other than officers, and the amount of their compensation, or similar information.⁷

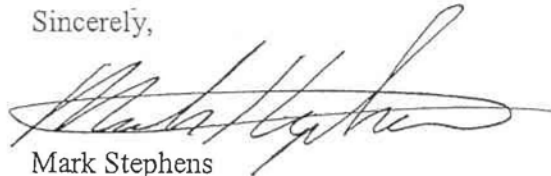
In determining whether a licensee has sufficient revenues to pay its regulatory fees, the Commission relies upon a licensee's cash flow, as opposed to the entity's profits. Thus, although deductions for amortization and depreciation, which do not affect cash flow, and payments to principals, reduce gross income for tax purposes, those deductions also represent money which is considered to be available to pay the regulatory fee.

In the absence of such documentation, or other relevant showing, you have failed to establish a compelling case for relief. WOSO's *Financial Statement* does not constitute the showing necessary to establish financial hardship. Therefore, your request for a waiver of the FY 2010 for SBC is dismissed.

Payment of the FY 2010 regulatory fee is now due. The payment should be filed together with a Form FCC 159 (copy enclosed) within 30 days from the date of this letter. However, in view of your allegations of financial hardship, in lieu of payment, you may refile SBC's request together with appropriate supporting documentation,⁸ and a request to further defer payment of the fee, within 30 days from the date of this letter.

If you have any questions concerning this matter, please contact the Revenue & Receivables Operations Group at (202) 418-1995.

Sincerely,



Mark Stephens
Chief Financial Officer

Enclosure

⁶ See *Implementation of Section 9 of the Communications Act*, 9 FCC Rcd at 5346, on recon., 10 FCC Rcd 12759 (1995).

⁷ *Memorandum Opinion and Order*, 10 FCC Rcd at 12761-12762.

⁸ You state that you have commissioned an audit for years 2007 through 2010. *Request* at 1. A financial statement that includes the total revenues and expenses for the most recent year available (*i.e.*, 2010), as well as an itemization of the underlying expenses and revenues (along with a list of WOSO's officers and highest paid employees and the amount of their compensation) could provide the basis for grant of a waiver.